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ARIZONA LABOR MARKET INFORMATION NEWSLETTER

Vol. X No. 1
January 1986

Unemployment Rate

Seasonally Adjusted
November*

ARIZONA	6.5%
Maricopa Co.	5.1%
Pima Co.	5.7%
UNITED STATES	7.0%

Consumer Price Index

National-November
1967 - Base Year

Wage Earner/Clerical Worker -	322.6
% Chg. Yr. Ago	3.4
All Urban -	326.6
% Chg. Yr. Ago	3.6

Phoenix-3rd Qtr.
1977 - Base Year

All Urban -	191.4
% Chg. Yr. Ago	4.5

Producer Price Index

National-November*
1967 - Base Year

All Commodities	309.7
% Chg. Yr. Ago	-0.2
Finished Goods	296.7
% Chg. Yr. Ago	1.5

* Preliminary

Service Employment Growth: A Benefit to the Economy?

Along with death and taxes, economic change is inevitable. Where once our economy was built upon agriculture and mining, these industries have given way to high technology manufacturing (electronics and aerospace) along with a dominant service industry. Although high tech companies have a snazzy appeal that spark our imagination and make a great speech topic, they account for less than one out of every 10 jobs in the state.

Meanwhile, the service-producing side of the economy, which includes finance, insurance, and real estate (FIRE); trade; transportation, communications, and public utilities (TCPU); services; and government currently accounts for just over three out of every four jobs in Arizona's economy. With all these jobs in services, many people have come to the conclusion that an increasing number of people are being forced into low wage, dead-end jobs. The implications for the general public, policy makers, and particularly those involved in employment and training programs are clear. What is not as clear is the actual situation.

In 1970, employment in the United States was split such that 33.3 percent of the jobs were in the goods-producing side of the economy (mining, construction, and manufacturing), while 66.7 percent were in the service-producing side. (See Figure 1.) In Arizona, where tourism was very important

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Arizona Labor Market Information Newsletter
WINNER OF THE ICESA 1985 LMI PUBLICATION AWARD

Nancy Augustin, editor
Processed by RA Clerical Support Unit

and the manufacturing sector had not yet begun to develop, the job split between goods-producing and service-producing was 27.2 percent and 72.8 percent respectively. Comparing that situation to the situation in 1984, (see Figure 2), the national economy has become considerably less dependent on goods production. In fact, nearly 23.6 million net new jobs were created nationally between 1970 and 1984, with over 95 percent of those new jobs being created in the services side of the economy. And, in Arizona the net job increase of 633,400 over that period was also concentrated in services, where over 79 percent of the new jobs occurred.

Here in Arizona, the goods-producing side of our economy has always been relatively small. If it were not for the fact that our rapidly growing economy employs a large number of people in the construction industry, services would be even more important. Many people look at Arizona as the precursor of the economic landscape that the nation can expect in the years to come. And if the structural change that has occurred between 1970 and 1984 continues, as likely it will, we will continue to see an employment shift away from our traditional manufacturing industries.

As a matter of economic development, these changes are not surprising. Most economies

Goods vs. Services
Arizona and the U.S.
1970

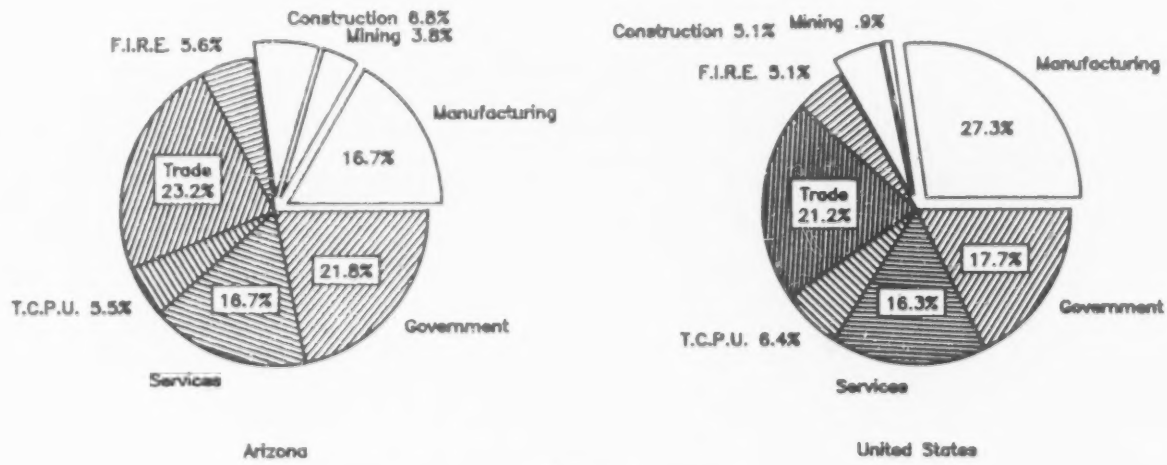


Figure 1

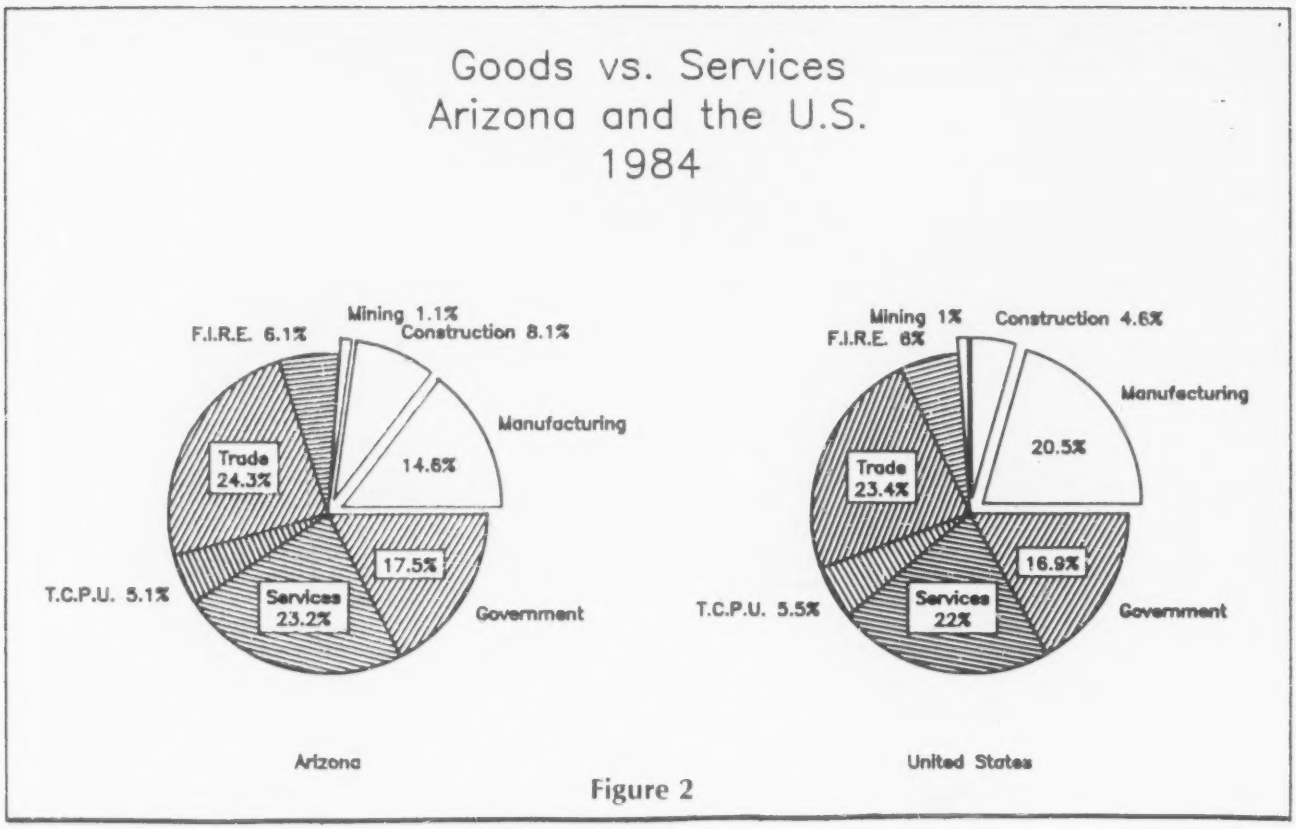


Figure 2

begin by using their natural resources to start the process of development. Here in Arizona, that meant heavy dependence on agriculture, mining, and tourism. Then as these businesses began to mature, manufacturing activities began to expand. The expansion continued until a sufficient surplus of resources was available to permit an expansion of services. If anything, the transition of our economy toward greater dependence on services indicates our growing affluence. In the progression of economic development, society can not afford the investment of resources in leisure activities, health care, education, and personal services if agriculture, manufacturing, and the other goods-producing industries are not sufficiently productive.

If the expected trend of both our local and national economies is in the direction of greater employment in service businesses, what does that mean for job seekers and those involved in developing our labor force for the future? One observation is clear--jobs in the future will require people to become more productive. Just as agriculture has been able to expand production at the same time that employment has been declining, employers in the future will look to raise productivity where labor is a major cost of doing business. And since labor costs are a considerably larger share of total expenses in services than they are in manufacturing, workers in the service industries will need to be better equipped to handle these changes.

But just as technological advances were not a source of wide-spread layoffs in manufacturing, as many people had expected, so too it is expected that increased productivity will free resources to be used in other endeavors. The challenge to our economy is to provide a sufficiently strong set of skills to our labor force so that as these changes occur, they will have the tools to take advantage of new opportunities.

Looking ahead to 1991, we expect job opportunities to expand by about 28 percent. While this is not a terribly strong five year growth rate as compared to the rate in the late 1970s, it will continue to keep Arizona near the top among other states. The majority of new jobs will remain in the classical entry-level positions of retail salesperson, general office clerk, waiter/waitress, bookkeeping clerk, cashier, and other such jobs, but many relatively large job classifications are expected to have above average growth rates. (See Table 1.)

Table 1
Occupations Expected to Grow Over 35 Percent

	Projected Job Growth 1986-1991*	Percent
Electronic Engineers	4,684	42%
Precision Electronic Assemblers	5,439	55
Guards	3,316	36
Electronic Technicians	3,404	41
Hairdressers	2,163	36
First Line Managers	2,037	37
Assemblers/Fabricators	1,980	36
Drafters	1,946	37
Precision Inspectors	1,846	44
Mechanical Engineers	1,338	41
Carpenter Helpers	1,200	37
Legal Secretaries	1,093	37
Electronic Semiconductor Processors	1,761	60
Production Clerks	1,060	40
Electronic Assemblers	1,362	52
Marketing Managers	866	39
Industrial Engineers	868	41
Administrative Managers	768	38

*Job growth in Arizona, ranked in descending order by total employment, of occupations employing more than 2,000 people in 1986.

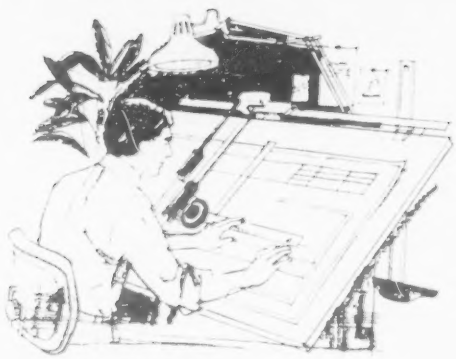
A few important items need to be considered in reviewing the impact of services jobs on the labor force. A cursory view of these jobs show that many pay below average wages. But a closer look at the statistics show that more than 20 percent of workers in services are employed under 30 hours a week. This has a significant influence on average wage. And it is also important to realize that while there are many entry-level positions in the service industries, they are just that--entry-level. As the economy continues to grow, more job opportunities will be created. And as the population ages, either retiring or moving into part-time employment, other opportunities will open for advancement.

And if it were true that the service industries were in fact low wage employers, our shift toward a greater share of employment in the service sectors should be reflected in lower average annual pay. But such is not the case. In 1979, when 74.2 percent of our jobs were in the service-producing side of the economy, Arizona ranked 26th among the 50 states and the District of Columbia--right in the middle. And by 1984, when our share of employment in services had risen to 76.1 percent, Ari-

zona still ranked 26th among the 51 areas. And while many people still view Arizona as a low wage state, our wages average 95 percent of the national average. While still below the national average, it is not as much below as many people believe.

So why is this happening and why do many people view service jobs with disdain? As mentioned earlier, our economy is continuing to evolve. Many of the jobs that will be created in the future will not be in our traditional manufacturing industries. Greater international competition and its

emphasis on development places us in a position where we must make use of our labor force wisely. Given the relatively high educational level of our population and the productivity of many industries, we need to concentrate our resources where we are most likely to get the best return. In many cases, the direction our economy has taken



has emphasized service-related jobs. But the conclusion that many people have drawn that these are undesirable jobs is not necessarily true, as the material above demonstrated. Many entry-level jobs do exist here, but since this is an area of strong growth, many other jobs are opening too. Occupations such as accountant, financial planner, computer programmer, and many different jobs in the business services and personal services areas will grow also. It would be simply inaccurate to lump all these jobs together and consider it an undermining of our economy. More accurately it is a shift away from jobs that emphasize manual processes to jobs that require more mental involvement.

With the changing nature of employment, it is important that we have a trained labor force that is equipped to take advantage of these changes. That means a range of skills that can fit the labor market demands now, but with sufficient flexibility to learn the skills necessary to be productive in the future. Considering the changing nature of services and its strong potential for Arizona's economy, employment growth in the service-producing industries continues to be a positive part of Arizona's economy.

Dan Anderson

Arizona SOICC Hosts Western Regional Meeting

Occupational information issues and multi-state cooperation were discussed by representatives from seven Western states at the Phoenix Hotel Westcourt on December 2-3. State Occupational Information Coordinating Committee (SOICC) directors of six states and Labor Market Information, Research and Analysis (LMI, R&A) chiefs from Arizona and New Mexico compared experiences in developing occupational information for diverse users.

Arizona Department of Economic Security Deputy Director Bette DeGraw welcomed the

attendees to Arizona. Dr. Gloria Becerra, assistant director, Division of Employment and Rehabilitation Services, opened the discussions with a view of the future for organizations like the SOICC. She asserted that vehicles to enhance cooperation would be increasingly necessary in order to get the greatest mileage from the dwindling dollars available for human services. In Arizona, she said, there is an Interagency Coordinating Committee that meets regularly to discuss means of leveraging each other's funds for maximum effectiveness. Members of the committee include policy makers and administrators from Job Service, Job Training Partnership Act Administration, Vocational Rehabilitation, Vocational Education, Department of Commerce, and other related agencies. This committee also serves as the steering committee for the Arizona SOICC. Dr. Becerra concluded with an observation that employment and training agencies, and especially their research and data producing sections, need a new kind of manager. They need managers who are technically competent, but more than that they need managers who can maintain a broad view. In other words, these managers should be seeking ways to make their agencies' data useful to the greatest number of users in order to facilitate the efforts of administrators and operations managers to leverage their dollars.

The director of the Colorado SOICC, Dr. Jim Harris, agreed whole-heartedly with Dr. Becerra. In fact, he hoped that the meeting of the several states' SOICCs would result in joint efforts among the states that would give greater effect to SOICC dollars. In addition, he hoped that the Western states could influence the direction of the national office (NOICC) on key issues by acting in concert.

As an example of successful multi-state cooperation, he reported Colorado and Utah's joint pilot project to attach occupational titles to the unemployment insurance Base Period Wage File (BPWF). The purpose in having employers report occupational titles, in addition to the other items they are now reporting, is to test the feasibility of obtaining occupational demand data directly from employers through a routine administrative report. If the pilot project is successful, the states could expand the requirement of occupational reporting to all employers. In the long run, the expanded BPWF could take the place of the Occupational Employment Statistics (OES) survey program. There would be a number of advantages to the administrative report over the OES survey. Because the BPWF is reported quarterly by social security number of employee, the data would be updated more frequently than the three-year survey-cycle based OES data. In addition, the BPWF includes quarterly wage data for each individual. With occupational titles attached, wages by occupation could be discerned, thus eliminating the need for a separate wage survey as well. Moreover, the data could be tracked to determine occupational turnover.

Of course, these benefits would accrue at a significant cost to employers who would have to supply the additional data. Determining a basis for estimating what that cost might be is part of the expected outcome of the Colorado/Utah pilot project. Utah is the state actually conducting the project. Dr. Harris said 68 employers have been randomly selected to participate in the project. Their participation is being encouraged by a payment to each employer from the Utah project. According to Max Parker, director of the Utah SOICC, it will be better than a year before an evaluation of the project is complete. Also, by that time, there may be data available from the state of Florida on a larger scale project of a similar kind. Florida has already passed legislation making occupational reporting mandatory for some employers.

During the remainder of the day, there were informal discussions about the feasibility and value of identifying new and emerging occupations, improving linkages, enhancing occupational information systems, promoting labor market information, and supporting career information delivery systems. Dan Anderson, research administrator for the Arizona Department of Economic Security, asked the directors if they would help him persuade the U.S. Bureau of Labor Statistics to allow the states' OES programs to carry an entire occupational matrix for each industry rather than rolling up minor occupations into catch-all categories. This

unnecessary roll-up is causing the loss of a significant amount of useful data, he said. Jim Harris and Max Parker agreed they would bring up the issue to the BLS Occupational Employment Statistics project supervisor.

Day #2 of the meeting was opened by Trudy Rogers, acting director of the Comprehensive Training Unit, Arizona Department of Education. She discussed ways the Department of Education is cooperating with the Department of Economic Security in response to the mandates of the Job Training Partnership Act and the Carl Perkins Vocational Education Act Amendments. For instance, Vocational Education is funding two target group reports being produced by the Research Administration's Economic Analysis Section. One is a report on the condition of youth in Arizona labor markets and the other is an analysis of women's progress in moving into the labor market. Special problems of youth and women will be identified in these reports.

Vocational Education has found other ways to cooperate with DES through participation on the Interagency Coordinating Committee that Dr. Becerra mentioned the day before. As an example, Vocational Education has supplied training for a substantial number of Trade Readjustment Act clients. Also, Vocational Education is in partnership in numerous projects with the Job Training Partnership Act Administration.

The Occupational Information System of Arizona is another project that has enjoyed Department of Education support over the years. The Arizona OIS was initiated by the ASOICC with funding from the national office (NOICC) as a mainframe data base system. In more recent years, as microcomputers became more sophisticated, a microcomputer-based OIS was developed. The Department of Education has funded the OIS, while the Research Administration has provided data from the OES program and the Job Service. The OIS is organizationally attached to the SOICC and the Economic Analysis section of the DES Research Administration.

The meeting concluded with adoption of several resolutions by the SOICC directors. The first was to name Stan Butterworth, director of the Arizona SOICC, to act as Western Regional Project Coordinator. It was agreed that the title and functions of that office would be bestowed on the director of whichever state hosted the annual regional meeting. Other actions included a resolution to pursue the OES roll-up problem with BLS, to advance support of using regression modeling as a means to enhance occupational training planning, and to influence the NOICC in the selection of a national meeting site.

Before closing, Dan Anderson proposed an alternative procedure to obtain occupational data to the one being investigated by Colorado and Utah. He said if it does not turn out to be feasible to have employers attach occupational titles or codes to the Base Period Wage File, perhaps someone could try using wage data from the Base Period Wage File to imply occupational staffing. In his estimation, it would be possible to distinguish among clerical, professional, and laborer occupational groups by the wages reported, at least for small employers. Specific staffing patterns could then be taken from the OES surveys of similar kinds of firms. He suggested, too, that other states consider using the Base Period Wage File to follow up trainees of vocational schools. In Arizona, legislation was passed last year to require private and public postsecondary schools to report social security numbers of their graduates to DES. The purpose is to permit follow-up matching with wage reports of employers and determine if the training resulted in greater earnings. A similar match will also be made for JTPA completers. This technique offers many opportunities for evaluation research.

Also in attendance at the regional meeting were Clair Cave, director, California SOICC; Nancy Hargis, director, Oregon SOICC; Ted Woodhouse, director, Washington SOICC; Bob Wells, director, Research and Analysis, New Mexico; David Ellis, representing Jose Gabriel Loyola, administrator, Arizona JTPA; Ron Simon, manager, Economic Analysis, Arizona Research Administration; Dr. Hugo Soll, manager, Arizona OIS; and Linda Kisinger, secretary, Arizona Research Administration.

Ron Simon

New OIS Reports for Vocational Planning and Counseling

The Occupational Information System (OIS) of Arizona has released a new "management-type" summary report designed for vocational program planners, administrators, and career counselors. The OIS Report #85-6, entitled 1985 OIS Cluster Summary Report summarizes a wide range of planning information. The report provides information in four sequences:

1) by vocational education program area;

2) ranked by 1985 occupational employment;

3) ranked by 1985 job openings; and

4) ranked by 1985 job openings minus training completers.

The cluster summaries include data on occupational demand and openings; training data for secondary schools, community colleges, proprietary schools, CBOs, and apprenticeships; Job Service data on openings, UI claimants, and wages.

The OIS of Arizona has also released OIS Report #85-7: 1984 Job Service Data-Statewide. The summary information in this report is presented in DOT Code sequence and includes the following:

Job Service applicants;

Unemployment Insurance claimants;

Job Service openings;

Job Service placements;

Job Service wage data;

percent openings to applicants; and

percent placements to openings.

The OIS project is a part of the Arizona State Occupational Information Coordinating Committee/DES Research Administration. It is funded primarily by the Arizona Department of Education-Vocational Education. Copies of both these reports may be obtained by writing Hugo H. Soll, manager, OIS of Arizona, at the address on the back of this Newsletter, or call 255-3680.

Emergency Veterans' Job Training Act (EVJTA)

The Veterans Administration (VA) is mailing letters to veterans who have previously applied for training under the EVJTA of 1983, but who have been unsuccessful in obtaining stable and permanent employment before their Certificate of Eligibility expired. The letter states that this past fall the president signed into law a bill that extends the EVJTA to July 1, 1986.

Veterans who have been unemployed for 15 of the 20 weeks before receipt of the letter are given the opportunity to apply for a new Certificate of Eligibility by receiving an application from their local Job Service office or regional VA office. They may also request professional VA counseling.

Qualified veterans who begin an approved program of job training by the July 1, 1986 date will have the benefit of the VA reimbursing their employer one-half of their starting wage, up to $10,000.

Arizona Unemployment Insurance Activities - October 1985

	October 1985	September 1985	October 1984	% Change From One Year Ago
Arizona Claimants Served*	26,016	35,300	21,848	+19.1%
Arizona Average Weeks Unemployed**	9.2	9.5	10.7	-14.0%
Arizona Benefits Paid*	$ 8,612,807	$ 9,200,438	$ 7,141,414	+20.6%
Arizona Trust Fund Balance	$317,443,521	$314,717,862	$236,849,244	+34.0%

*All Programs **UI Only

The Arizona Labor Force in November

The unemployment rate in Arizona remained at 6.5 percent for the third consecutive month in November. The continuing expansion of job opportunities in the service-producing sectors of the economy prevented unemployment from rising as it has during most of 1985. In the last 12 months, Arizona establishments have created over 54,000 jobs. The rate of employment growth is expected to slow next year, but no major recession is foreseen for the state's economy.

The regional economy as a whole may escape recession, but some industries have been plagued by significant layoffs already. The loss of 800 jobs in durable goods manufacturing marked the fourth month in a row that employment has dropped. This is of particular concern in light of the rapid growth of employment in the aerospace industry, a major component of the durable goods category. The machinery sector, which

includes many producers of electronic equipment, lost 1,400 jobs in November. Employment in this category now stands at 66,800, about 5,000 below the peak level of seven months ago.

Another sector that has faltered recently is construction. Seven hundred jobs were lost in November. Some of the layoffs have been due to seasonal, weather-related factors, but there are signs of a decrease in the volume of homebuilding activity, and slower office construction also may be contributing to the decline in employment. The increase in the Pima County unemployment rate last month may be partially explained by the loss of 300 construction jobs.

In spite of the weakness displayed by the goods-producing sector in the second half of 1985, other areas of the economy appear to be prospering. Retailers throughout Arizona anticipated a strong holiday buying season by adding over 6,000 workers in November. The strength of the finance, insurance, and real estate (FIRE) category also was impressive, with 800 more people employed last month. The financial services sector now has grown by nearly 9 percent over the last twelve months, matching the increase recorded during the rapid expansion of 1984.

Most of the service industries posted employment gains in November. Northern Arizona was experiencing seasonal losses in hotels and lodging and related categories, but the decreases were somewhat less than expected. Seasonal hiring by hotel operators in central and southern Arizona generated a net increase of 200 jobs, while health services added 500 workers statewide. A contrary note was sounded by the business services sector. Employment in this category, which includes many temporary help agencies, fell by 600 in November.

As 1985 concludes, Arizona continues to rank among the fastest growing states in the nation. As unemployment rose and several industries experienced declining employment, other industries expanded and absorbed thousands of workers. It is a tribute to the strength and diversity of the regional economy that the unemployment rate has not increased more rapidly than it has. If the layoffs in the durable goods and construction industries continue, unemployment may climb upward again in the next few months. Even so, the Arizona economy should be strong enough to avoid a slump comparable to the recession of three years ago.

Brian Cary

Arizona Labor Force and Employment

November 1985 (in thousands)

	ARIZONA				
				-- Amt Change --	
	Nov.* 1985	Oct. 1985	Nov. 1984	Oct. to Nov.	1984 to 1985
TOTAL CIVILIAN LABOR FORCE**	1490.3	1474.6	1477.2	+15.7	+13.1
Total Unemployment	94.9	94.9	62.0	+0.0	+32.9
Rate	6.4	6.4	4.2	---	---
Rate (Sea. Adj.)***	6.5	6.5	4.3	---	---
Total Employment	1395.4	1379.7	1415.2	+15.7	-19.8

The Above Labor Force Statistics Should N

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

TOTAL WAGE AND SALARY	1288.6	1280.2	1234.2	+8.4	+54.4
Manufacturing	182.5	183.2	178.5	-0.7	+4.0
Durable Goods	143.6	144.4	140.6	-0.8	+3.0
Stone, Clay and Glass	8.5	8.5	7.5	+0.0	+1.0
Primary and Fabricated Metals	16.5	16.5	17.1	+0.0	-0.6
Primary Metals	7.3	7.1	7.5	+0.2	-0.2
Fabricated Metals	9.2	9.4	9.6	-0.2	-0.4
Machinery	66.8	68.2	70.6	-1.4	-3.8
Other Durable Goods	51.8	51.2	45.4	+0.6	+6.4
Aircraft and Missiles	24.5	23.9	20.4	+0.6	+4.1
Lumber and Wood Products (Except Furniture)	8.1	7.9	7.3	+0.2	+0.8
All Other Durable Goods	19.2	19.4	17.7	-0.2	+1.5
Nondurable Goods	38.9	38.8	37.9	+0.1	+1.0
Food and Kindred Products	8.7	8.7	8.4	+0.0	+0.3
Apparel	5.1	5.1	5.1	+0.0	+0.0
Printing and Publishing	14.4	14.3	14.0	+0.1	+0.4
All Other Nondurable Goods	10.7	10.7	10.4	+0.0	+0.3
Mining and Quarrying	11.0	11.2	12.8	-0.2	-1.8
Copper Mining	8.4	8.5	9.9	-0.1	-1.5
Other Mining and Quarrying	2.6	2.7	2.9	-0.1	-0.3
Construction	109.0	109.7	103.6	-0.7	+5.4
Trans., Communications, and Public Utilities	64.0	63.5	62.1	+0.5	+1.9
Transportation	28.8	28.5	29.1	+0.3	-0.3
Communications and Public Utilities	35.2	35.0	33.0	+0.2	+2.2
Trade	314.7	308.1	301.5	+6.6	+13.2
Wholesale Trade	63.4	63.0	61.0	+0.4	+2.4
Retail Trade	251.3	245.1	240.5	+6.2	+10.8
General Merchandise and Apparel	41.8	39.4	41.7	+2.4	+0.1
Food Stores	37.9	37.1	36.8	+0.8	+1.1
Automotive and Service Stations	29.6	29.4	28.0	+0.2	+1.6
Eating and Drinking Places	88.7	87.2	82.2	+1.5	+6.5
Other Retail Trade	53.3	52.0	51.8	+1.3	+1.5
Finance, Insurance, and Real Estate	79.5	78.7	73.2	+0.8	+6.3
Services and Miscellaneous	300.1	299.6	283.5	+0.5	+16.6
Hotels and Other Lodging Places	31.7	31.5	29.3	+0.2	+2.4
Business Services	68.3	68.9	64.9	-0.6	+3.4
Health Services	72.5	72.0	69.6	+0.5	+2.9
Other Services	127.6	127.2	119.7	+0.4	+7.9
Government	227.8	226.2	219.0	+1.6	+8.8
Federal	41.5	43.3	39.7	-1.8	+1.8
State and Local	186.3	182.9	179.3	+3.4	+7.0
School	111.3	109.3	109.5	+2.0	+1.8

* Preliminary
** Labor force, unemployment, and employment are reported by place of residence.
*** Normal seasonal variations have been eliminated to reflect underlying economic trends.
NOTE--Prepared in cooperation with the U.S. Department of Labor,Bureau of Labor Statistics.

November 1985 (in thousands)

MARICOPA COUNTY					PIMA COUNTY				
			-- Amt Change --					-- Amt Change --	
Nov.* 1985	Oct. 1985	Nov. 1984	Oct. to Nov.	1984 to 1985	Nov.* 1985	Oct. 1985	Nov. 1984	Oct. to Nov.	1984 to 1985
947.3	937.2	939.6	+10.1	+7.7	271.3	266.9	267.2	+4.4	+4.1
48.0	47.8	30.0	+0.2	+18.0	15.2	14.4	10.6	+0.8	+4.6
5.1	5.1	3.2	---	---	5.6	5.4	4.0	---	---
5.1	5.1	3.2	---	---	5.7	5.4	4.0	---	---
899.3	889.4	909.6	+9.9	-10.3	256.1	252.5	256.6	+3.6	-0.5

Be Used for Economic Assistance Programs

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

845.9	840.5	808.4	+5.4	+37.5	234.5	232.2	221.8	+2.3	+12.7
130.0	131.1	129.8	-1.1	+0.2	32.5	32.2	29.7	+0.3	+2.8
103.6	104.6	103.8	-1.0	-0.2	27.3	27.0	24.6	+0.3	+2.7
5.2	5.2	4.6	+0.0	+0.6					
10.9	10.9	11.0	+0.0	-0.1					
53.0	54.2	56.8	-1.2	-3.8					
34.5	34.3	31.4	+0.2	+3.1					
26.4	26.5	26.0	-0.1	+0.4	5.2	5.2	5.1	+0.0	+0.1
5.2	5.4	5.4	-0.2	-0.2					
3.3	3.2	2.9	+0.1	+0.4					
10.5	10.4	10.3	+0.1	+0.2					
7.4	7.5	7.4	-0.1	+0.0					
0.6	0.6	0.6	+0.0	+0.0	2.3	2.4	2.8	-0.1	-0.5
75.7	75.9	71.6	-0.2	+4.1	21.1	21.4	19.4	-0.3	+1.7
42.3	41.9	40.7	+0.4	+1.6	8.7	8.7	8.8	+0.0	-0.1
19.7	19.5	19.8	+0.2	-0.1	4.0	4.0	4.0	+0.0	+0.0
22.6	22.4	20.9	+0.2	+1.7	4.7	4.7	4.8	+0.0	-0.1
215.2	209.6	205.7	+5.6	+9.5	51.0	50.6	49.5	+0.4	+1.5
50.0	49.7	48.5	+0.3	+1.5	7.6	7.6	6.9	+0.0	+0.7
165.2	159.9	157.2	+5.3	+8.0	43.4	43.0	42.6	+0.4	+0.8
26.8	24.8	26.4	+2.0	+0.4	7.5	7.3	8.2	+0.2	-0.7
24.3	23.7	23.6	+0.6	+0.7	5.9	5.9	5.9	+0.0	+0.0
18.9	18.9	17.8	+0.0	+1.1	4.8	4.6	4.4	+0.2	+0.4
57.7	56.3	53.0	+1.4	+4.7	16.4	16.3	15.3	+0.1	+1.1
37.5	36.2	36.4	+1.3	+1.1	8.8	8.9	8.8	-0.1	+0.0
62.5	61.7	57.1	+0.8	+5.4	10.9	10.8	10.3	+0.1	+0.6
203.4	203.3	193.7	+0.1	+9.7	57.5	57.0	52.1	+0.5	+5.4
19.2	18.8	18.1	+0.4	+1.1	5.0	4.9	4.5	+0.1	+0.5
55.3	56.0	53.4	-0.7	+1.9	10.3	10.2	9.0	+0.1	+1.3
47.9	47.5	47.6	+0.4	+0.3	15.8	15.7	13.8	+0.1	+2.0
81.0	81.0	74.6	+0.0	+6.4	26.4	26.2	24.8	+0.2	+1.6
116.2	116.4	109.2	-0.2	+7.0	50.5	49.1	49.2	+1.4	+1.3

-- Prepared by Labor Market Information, Research and Analysis (CPS, 1/85)

Nonmetropolitan Counties
Labor Force and Employment
November 1985

	Apache	Cochise	Coconino	Gila	Graham	Green-lee	La Paz
TOTAL CIVILIAN LABOR FORCE*.	15,825	29,750	37,650	12,625	7,950	2,150	4,800
Total Unemployment	2,625	2,600	3,725	1,550	850	350	825
Rate	16.6%	8.7%	9.9%	12.3%	10.7%	16.3%	17.2%
Rate (Seas. Adj.)**. . . .	16.9%	8.7%	10.2%	12.3%	10.8%	16.2%	-INA-
Total Employment	13,200	27,150	33,925	11,075	7,100	1,800	3,975
THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS							
TOTAL WAGE AND SALARY. . . .	14,950	23,850	34,575	9,725	4,900	1,850	2,475
Manufacturing.	775	2,125	2,650	1,300	175	50	75
Mining and Quarrying	25	175	25	1,625	0	675	0
Construction	925	1,375	1,575	425	150	75	75
Trans., Comm., & Pub. Util..	2,025	1,575	2,450	325	175	50	50
Trade.	1,400	5,175	7,950	1,925	1,375	300	800
Fin., Insur., & Real Estate.	275	625	775	250	150	25	100
Services and Miscellaneous .	4,125	3,125	8,025	1,575	825	100	600
Government	5,350	9,675	11,125	2,300	2,050	575	775

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
TOTAL CIVILIAN LABOR FORCE*.	24,450	25,800	32,250	9,025	33,325	36,025
Total Unemployment	2,675	3,675	3,800	1,575	2,100	5,250
Rate	10.9%	14.2%	11.8%	17.5%	6.3%	14.6%
Rate (Seas. Adj.)**. . . .	11.0%	15.0%	12.4%	16.2%	6.6%	-INA-
Total Employment	21,775	22,125	28,450	7,450	31,225	30,775
THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS						
TOTAL WAGE AND SALARY. . . .	18,150	18,800	26,275	8,100	20,350	24,250
Manufacturing.	2,400	1,825	3,625	1,100	2,200	1,675
Mining and Quarrying	300	1,100	3,600	0	575	50
Construction	1,500	900	1,100	325	1,950	1,875
Trans., Comm., & Pub. Util..	1,125	1,650	1,175	550	875	925
Trade.	5,175	3,425	4,750	3,150	5,250	7,825
Fin., Insur., & Real Estate.	875	350	700	250	800	950
Services and Miscellaneous .	3,475	4,850	2,775	1,200	4,075	4,450
Government	3,300	4,700	8,550	1,525	4,625	6,500

*Adjusted to the Current Population Survey (CPS) to reflect place of residence.
**Seasonal adjustment not applicable for economic assistance programs.

NOTE--Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics.

Arizona Labor Force and Employment For Economic Assistance Programs November 1985

County	Civilian Labor Force	Employment	Unemployment	Rate
Statewide	1,490,321	1,395,457	94,864	6.4%
Apache	15,816	13,186	2,630	16.6
Cochise	29,738	27,142	2,596	8.7
Coconino	37,644	33,924	3,720	9.9
Gila	12,629	11,076	1,553	12.3
Graham	7,957	7,105	852	10.7
Greenlee	2,146	1,794	352	16.4
La Paz	4,811	3,974	837	17.4
Maricopa	947,319	899,318	48,001	5.1
Mohave	24,463	21,788	2,675	10.9
Navajo	25,807	22,130	3,677	14.2
Pima	271,342	256,105	15,237	5.6
Pinal	32,249	28,447	3,802	11.8
Santa Cruz	9,024	7,447	1,577	17.5
Yavapai	33,337	31,228	2,109	6.3
Yuma	36,039	30,793	5,246	14.6

These figures are the only official BLS labor statistics to be used for revenue sharing purposes. They are not designed to be used as economic indicators. Note: Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

Estimated Hours and Earnings of Production Workers in Selected Industries in Arizona November 1985

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVG. HOURLY EARNINGS		
	NOV.* 1985	OCT. 1985	NOV. 1984	NOV.* 1985	OCT. 1985	NOV. 1984	NOV.* 1985	OCT. 1985	NOV. 1984
FOR THE STATE OF ARIZONA*									
Manufacturing	399.56	391.20	375.25	40.4	40.0	40.7	9.89	9.78	9.22
Aircraft & Missiles	NA	NA	NA	NA	NA	NA	NA	NA	NA
Food & Kindred Products	174.26	328.32	292.16	41.4	38.0	38.8	9.04	8.64	7.53
Primary Metals	499.20	492.11	510.86	39.4	39.4	41.0	12.67	12.49	12.46
Machinery	360.59	360.30	320.80	39.8	39.9	40.1	9.06	9.03	8.00
Copper Mining	571.87	569.38	572.98	41.5	41.5	42.1	13.78	13.72	13.61
Construction	423.03	423.03	425.22	35.4	35.4	36.5	11.95	11.95	11.65
Utilities	573.03	573.03	598.98	42.7	42.7	44.8	13.42	13.42	13.37
Retail Trade**	237.40	243.62	236.38	32.7	33.1	35.6	7.26	7.36	6.64
Wholesale Trade	354.25	353.80	358.66	37.5	37.4	38.9	9.46	9.46	9.22

* Preliminary
** Excludes eating and drinking places.
NOTE--These estimates are based on a sample of full and part-time production and related employees whose payroll and hours are reported for the pay period which includes the 12th of the month. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

--Prepared by Labor Market Information, Research and Analysis (1972 SIC, 1/84)

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New Developments

"New Developments" is featured each month as a service to employers and job seekers. It is a compilation of public announcements of the more significant new construction, grand openings, major hirings and layoffs, and other employer events that have special significance for Arizona labor markets. The announcements are paraphrased and otherwise edited from articles published in newspapers and other periodicals from throughout the state. "New Developments" are limited to space available, and no attempt is made to compile an exhaustive list of all such events that have occurred during the month.

CONSTRUCTION - Ground was broken in late November on the $24 million Mayo Clinic at 136th Street and Shea Boulevard in Scottsdale. One of only two Mayo clinics to be built outside Rochester, Minnesota, the Scottsdale facility is scheduled to open in spring 1987. This first of what will eventually be three triangular buildings will have three stories above ground and two below, consisting of approximately 164,000 square feet of space. Business will begin with a staff of 30 Mayo-trained physicians and between 80 and 100 support personnel hired from the metro Phoenix area. The ultimate plan for the clinic is to house 470 physicians, though Dr. Richard Hill, clinic CEO, says "You have to realize that could be 10, 20, 30 years from now. Putting 470 doctors down there is not going to happen overnight." Also speaking of the future, Mayo spokeswoman Tracey Torres says, "We want this to be a regional medical center for the Southwest. We want to draw people from a 300- to 500-mile radius." The Mayo Clinic, an outpatient institution offering specialized medical treatment in numerous areas, will utilize the north branch of Scottsdale Memorial Hospital for its inpatient needs.

El Mirage, a poor Phoenix farming community and a haven for migrant workers, will undergo a $600 million face-lift over the next five years. That will happen, in part, due to the efforts of former City Manager Gil Olguin, who himself calls the city of 6,300 a "pocket of poverty." The economic boom hinges on four projects:

El Mirage Village Square - This $250 million project will include a motor vehicle shopping mall; a city government center; a medical center, including a hospital; a vocational training center; apartments, restaurants, office buildings; a post office; a museum; and a day care center. To be built on 372 acres, Village Square is expected to generate 1,400 jobs.

Pueblo El Mirage R.V. Resort and Country Club - This $30 million project will be built on 320 acres and will include an 18-hole golf course, a 40,000 square-foot performing arts center, and 2,100 lots for recreational vehicles. The project is already 70 percent complete and is expected to generate more than 200 jobs.

Capistrano Estates - This is an $18 million residental development with an estimated 600 single-family homes and 1,125 multi-family units, such as townhouses and apartments. The first homes should be ready in spring 1986.

Sierra Grande Hotel and Resort - The $21.5 million project is to be built on 200 acres and will include another 18-hole golf course, tennis courts, a clubhouse, and restaurants. About 250 new jobs are expected to be generated.

Another poor farming community is in for a fancy face-lift. This time it's the community of Surprise, with 4,500 residents, where five residential-resort developments totaling more than $300 million are planned over the next five years. The focus is on the nearby retirement communities of Sun City, Sun City West, and Youngtown, and the projects include:

Brookview Country Club - A $100 million project to be built on 320 acres near 115th Avenue and Bell Road. It will include a 92-room Sheraton Hotel; an 18-hole golf course; an extended-care medical facility for elderly people; and about 675 units of condominiums, patio homes, and townhouses.

Sun Village Adult Resort Community - A $35 million, 335-acre resort style community intended for the older adult population.

Located at the southwestern corner of Grand Avenue and Litchfield Road, it promises 3,000 residential units, a nine-hole golf course, and a recreation center.

Happy Trails R.V. Resort - A $30 million, 320-acre project calling for more than 2,000 spaces for recreational vehicles, five swimming pools, six spas, and a nine-hole golf course.

Already completed are the Rose Garden Mobile Home, a $2 million, 386-space mobile home resort with clubhouse at the corner of Bell and 115th Avenue, and the Sunflower R.V. Resort, a $40 million development containing 1,107 recreational-vehicle spaces on 75 acres at the corner of Bell and El Mirage roads. No estimates were given on the number of jobs the total $300 million investment in Surprise will create.

Construction on a 124-suite Signature Resort and conference center began in the rugged Granite Dells area north of Prescott. It is the first full-service resort to be built in Prescott in several years. The four-story hotel will feature tennis, year-round swimming, hiking, nature trails, horseback riding, exercise and sauna facilities, stocked refrigerators and wet bars, cable TV, and telephones in all bathrooms. Meeting and banquet facilities will accommodate up to 400 persons. The all-suite hotel is scheduled to be completed next summer.

Ground was broken on a 480-acre master-planned lake community just west of 88th Avenue on Beardsley Road in Peoria. The project will consist of four lakes weaving through residential neighborhoods with home lot sites ranging from 4,000 to 10,000 square feet. The community will also include 25 acres of commercial land and 68 acres of multi-family housing. Amenities include a 6,000 square-foot clubhouse, racquetball and tennis facilities, a jacuzzi, sauna and steam rooms, and a putting green. Build-out is estimated in five years.

Ground was broken on the new Young Women's Christian Association (YWCA) complex at 755 East Willetta Street in Phoenix. The new quarters will be the first new community service building located in the Good Samaritan Redevelopment Area bounded by East McDowell Road, Seventh Street, the Papago Freeway, and 13th Street. The 32,000 square-foot complex will include a 60-bed residential center for women and youth, a senior citizens service center, a 35- by 75-foot outdoor heated swimming pool, and exercise and equipment rooms. The center is scheduled for completion in spring 1986.

A joint venture firm has been awarded a contract for a 1.3 million square-foot expansion program that will triple the size of the McDonnel Douglas Helicopter Company assembly and flight test center in Mesa. Employment at the 334-acre site is expected to grow from the present 2,500 to more than 5,000 by 1987.

Del E. Webb Construction Services Company has begun construction on a research and development facility valued at $4.5 million at the Arizona State University Research Park in Tempe. The 41,322 square-foot, three-story complex is designed to provide research and development tenants with total systems flexibility for water, air conditioning, electrical, and ceiling requirements. The structural steel construction will be covered with red brick and feature royal blue insulated reflective glass on the east and west exposures. The complex will offer parking for 166 vehicles, overlook one of the park's three lakes, and be located directly across from a proposed heliport, conference center, and hotel.

Santa Fe Pacific Realty announced plans to develop a 300-acre, master planned business park at 43rd Avenue and Indian School Road. The company expects to break ground on the first phase of the project during the first quarter of this year, according to Craig Koester, project coordinator. Approximately 4.7 million square feet will eventually be built on the total site, and the entire business park will take an estimated seven years to develop at a cost of $180 million. Initial building construction will include multi-tenant industrial and retail structures totaling 150,000 square feet. Phase one infrastructure construction will cost approximately $5 million and will be completed in late spring.

Construction has begun on the $3.5 million facility for Scottsdale Hyundai. It is one of the first 50 American dealerships selected to sell cars manufactured by South Korean automaker Hyundai Motor Company. The 30,000 square-foot facility will be located on a 2.5 acre site at 68th Street and McDowell Road. It is expected to open this spring and will employ approximately 50 people within the first year of operation.

After two years of assembling land, developer Wayne E. Barnes got Phoenix City Council approval to build a 16-story industrial midrise in the Seventh Street and Buckeye area. "The original proposal came as somewhat of a surprise; that's not a typical midrise location," said Rick Counts, city planning director. But after analyzing the plausible labor force, coupled with the possibility of attracting a major employer to the downtown area, officials stopped asking "why?" and started asking "why not?" The 16-story building will house assembly and manufacturing facilities on its lower floors; drafting, engineering, and clerical facilities on the middle levels; and executive offices on the top stories, Barnes said. "The Council took some pains to ensure it would not be office," said Counts. Seventh Street is viewed as a gateway into the city, and Barnes said the project area, bordered by Pima and Buckeye roads and Fourth Street to the west, will do away with scrapyards that have long been in place.

The area south of Sky Harbor Airport is quietly emerging as an office center as auto-salvage yards, cement-batch plants, and other heavy industry businesses are rapidly being targeted for conversion to midrise office parks that could rival developments in other parts of the city. However, city council's approval of three large projects this past fall prompted some to complain that the council is blindly creating new traffic problems and ignoring its new general-development plan. The projects are:

Southbank, a 235-acre project just north of 32nd Place and the Maricopa Freeway. This project was reported in the October Newsletter's "New Developments."

The Kaiser Center, a 38-acre project at the southeastern corner of 44th and Elwood streets. The Kaiser Development Company, developer of McCormick Ranch in Scottsdale, is planning to build 1.7 million square feet of office, research and development, hotel, and restaurant space in 13 buildings ranging from a single story to nine stories, or 110 feet.

An unnamed project by RGW Company, on 26 acres at the southwestern corner of 48th Street and University Drive. About 6,075,000 square feet of office space is planned for five buildings ranging from five to eight stories, or 107 feet maximum, as well as a 10-story hotel and two restaurants.

In addition, last June the council approved The Cotton Center, a 285-acre office, industrial park, and residential development on the University of Arizona's former experimental farm at the southwest corner of 48th Street and Broadway Road.

Altogether, nearly 4.5 million square feet of new office space is planned for the area. For comparison, the Camelback Corridor office market, bordered by 16th and 70th streets, Lincoln Drive, and Campbell Avenue, has about 4.5 million square feet of office space, according to a recent study by Patrick Properties, Incorporated.

Construction has begun on Westcourt in the Buttes, a $31 million, 300-room conference resort to be built on a 25-acre site at 48th Street and Broadway. The resort's design will accentuate the surrounding rock formations, natural desert, and mountain landscape. The east butte will serve as a backdrop for the resort's lobby and registration area. A vaulted clear skylight will extend directly over the registration counter into the butte. As a result, the butte will extend inside the building, accented by waterfalls and cacti. "To our knowledge, we will be the only resort in the country with part of a mountain physically located in its main lobby," says Fred Cox, president of Westcox Hotel Company. A 180-seat, freestanding circular restaurant and lounge situated atop one of the three buttes will also provide views, featuring

270 degrees of glass fascia. The resort is scheduled to open in December.

A Santa Ana, California plastics firm announced plans in mid-November for the construction of a 35,000 square-foot manufacturing plant at the Kingman Airport Industrial Park in Mohave County. Gable Plastics, Incorporated is a manufacturer of ABS and PVC pipe and conduit with annual sales of about $7 million in 1984. The firm bought seven acres as the site for a plant the officials said initially will employ 32 people.

Another firm, one that promises to employ about 40 people, was given preliminary approval in mid-November to issue $10 million in Industrial Development Authority bonds. Northern Indiana Brass Company, a manufacturer of brass, copper, and plastic plumbing fittings, said they will begin construction early this year on a manufacturing plant that Kingman has been anticipating since 1982.

A $100 million expansion of retail, office, and hotel space in the 20-year-old Scottsdale Fashion Square was unanimously approved in mid-December by the city council. Plans call for the expansion of the approximately 40-acre open mall at the northwestern corner of Scottsdale and Camelback roads to include a six-story, 186-room hotel, and a doubling of retail space to about 724,000 square feet.

VACANT PLANT LEASED - A South Korean hat manufacturing company, Young An Hat Company of Seoul, has signed a lease with the Hopi Tribe to use a long-vacant plant in the tribe's industrial park in Winslow. The Bureau of Indian Affairs, which balked at approving an earlier lease agreement with the firm, has had a change of heart after looking at the whole problem. The Interior Department had also objected initially because they felt the rental fee was too low. However, the Hopis argued that the rental fees were in line for Winslow and that the vacant plant is costing the tribe $100,000 a year to maintain.

The plant is expected to provide up to 400 jobs for Winslow area residents, with a "Hopi preference" in hiring. "The council and I are pleased that we will soon have a firm utilizing the facility because it will save many dollars that have been spent in upkeep for a vacant facility and it will additionally provide jobs for the Hopi people," said Tribal Chairman Ivan Sidney.

LAYOFFS - The Pointe Resorts, for the past decade a strong example of corporate expansion in Phoenix, is tightening its belt. In a surprise move in mid-November, Pointe Resorts began laying off 150 administrative and maintenance staff. The move raised eyebrows in the business community, because it came in the midst of the hotel giant's continuing expansion into South Phoenix and San Diego. "The move is temporary and in response to the marketplace," said Ray Artigue, vice president of communications for Point Resorts. "It is a matter of supply and demand. The supply of rooms in the valley is simply outstripping demand." Artigue said those that have been "asked to take sabbaticals" until the Pointe South Mountain opens include accounting, advertising, public relations, and maintenance personnel. The company decided to direct the cuts at administrative rather than service workers to preserve the quality of hospitality afforded guests.

General Mills announced in mid-November that it is closing its four Good Earth Restaurant and Bakery outlets in the Valley, but hopes to reopen them as part of another General Mills restaurant chain this year. "The restaurants were not really performing. Although we are still excited about the concept and the product, the bottom line is that there have not been enough people that have been excited, and it has not met our expectations," said Jon Sleik, general manager of the company's Good Earth and Olive Garden chains. He estimated that each of the four Valley restaurants employs 50 to 80 people. An employee at the Mesa restaurant, who asked not to be identified, said she feels "very positive" despite the restaurant's closing. "You can look for us reopening with a new concept in February."

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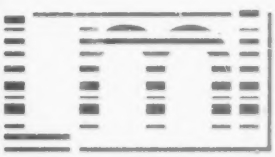

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